

[Part I]

SECRET

Foreign Trade Plan for 1949The task of the foreign trade plan

The law concerning the Five-Year Plan provides for foreign trade in Paragraph 26 as follows:

"Foreign trade will be organized and directed so as to assure the necessary imports for fulfillment of the assignments set by the Five-Year Plan, to cover the cost of imports by export, and to assure an even balance of payments.

"Foreign trade will be intensively increased so that its volume in 1953 will be about 40 percent greater than in 1948. In connection with this, the continuous development of the economy and its resistance to crises will be assured by the expansion of commercial contacts, especially ^{through} the system of economic agreements with planned-economy states."

The foreign trade plan is a compulsory ^{directive} ~~guiding principle~~ for the control of foreign trade in the sense of the basic provisions of the law concerning the Five-Year Plan.

The fulfillment of the import side of the foreign trade plan is a condition for the fulfillment of all operational production plans; the precise fulfillment of the production plans is in turn a prerequisite for the fulfillment of the export side of the foreign trade plan.

The fulfillment of the foreign trade plan is therefore one of the most important prerequisites for fulfilling the tasks set by the economic plan.

The foreign trade plan is distinguished from other operational plans in that its fulfillment is not exclusively within our power. We deal with the foreign market; therefore the implementation of the

SECRET

SECRET

plan depends on a number of factors beyond our direct control. Therefore this plan will always contain a certain element of uncertainty, particularly in regard to its export side.

How the plan was compiled

The technique of planning, based on two years' experience in planning and on the fact that the plan applies to monopoly companies, is distinguished from previous practice in that all statistical items ~~will~~ *are* be planned not only as to areas but even down to individual countries. The procedure in planning was as follows:

Estimates were compiled, which we submitted to the Central Planning Commission. On the basis of directives which the Central Planning Commission established for us, each individual item of these estimates was discussed with the importer or exporter, the consumer, and the producer; that is, with the Ministries of Food and Agriculture, monopoly companies, with all Central Managements and the Ministry of Industry, the Slovak Ministry of Industry, the Union of Industry, economic groups, and planning commissions. On the basis of this, we arrived at the operational plan for 1949. The processing of this plan, after preliminary conferences, required major conferences lasting for 30 working days, in which more than 1,000 experts participated; 40,000 individual matters were discussed. We are analyzing this plan below, and are proposing changes in it.

Establishment of the estimates

In establishing the estimates, we began with the following principles:

- a) Increasing the share of planned-economy states in our foreign trade.
- b) *Equalizing* ~~Balancing our foreign trade.~~ *balance of payments.*

- 2 -

SECRET

SECRET

e) Planning more realistically, that is, including items in the plan, especially in regard to import, which are not necessary from the standpoint of our planned economy, but which must be imported for commercial^{and} political reasons (apples, watches, wine, refrigerators, automobiles, etc.).

These estimates were accepted by the Central Planning Commission (3 August 1948, File Number 15266/48 - I/6 K/15) on the condition that the export figures be increased 6 1/2 percent or the import figures be reduced 7 percent in the plan. Moreover, the Central Planning Commission in principle considered the import estimates as maximum and the export estimates as minimum.

Without going into details, it should be mentioned that the individual commissions did not observe these directions^{yes}; the original import claims were 52 billion, and a detailed discussion revealed that the directions^{yes had been} ~~were~~ exceeded by about 10 percent.

Table I gives a comparison of the estimates and the plan ^{for} in import for 1949. The estimates which were proposed to the Central Planning Commission are given in the first column of this table; in the second column are the estimates minus 7 percent, calculated on the basis of the above mentioned decision of the Central Planning Commission; and in the third column is the actual plan for 1949. From this it follows that the import plan as compiled is 5,820 millions greater than it should be, if we take the estimates that have been reduced 7 percent into consideration (with the exception of the textile sector, where this 7 percent was not deducted). Table II shows the import plan for 1949 in comparison with the plan for 1948 in individual sectors and areas (Area I - the USSR; II - ^{other} Slavic countries; III - other countries with planned economy, including Austria; IVa - Germany, Soviet zone; IVb - Germany, western zone; V - European ^{with clearing arrangements} clearing countries, including

- 3 -

SECRET

SECRET

Italy; VI - ^{sterlings} pound area; VII - dollar area). Table III contains the similarly compiled export plan, in which the overall trade balance and the balance for individual payment areas are given.

Comparison of import and exportImport

Planned import in 1948 amounted to 40,805,000,000 crowns. We estimate that 37 billion will be realized, which means that the actual import has been reduced by about 9 percent in comparison with the planned import. In compiling the plan for 1948, a ^{margin of error} ~~safety coefficient~~ of 20 ^{percent} ~~was~~ ^{allowed for} ~~counted upon~~; planned export for 1949 amounts to 47,766,000,000 crowns. We also calculated ^{with a margin of error of} ~~the safety coefficient at~~ 9 percent, and reached a figure of about 43,500,000,000 crowns of import, which we will use as a basis for our calculations.

Export

Planned export for 1948 was 46,421,000,000 crowns, and we assume that about 35 billion will be realized, that is, about 23 percent less; we also ^{allowed} ~~assumed~~ a ^{M.O.E.} ~~safety coefficient~~ of 25 ^{percent}, which was practically ^{used up} ~~achieved~~. In regard to considering how high the ^{margin of error} ~~safety coefficient~~ for 1949 should be, we are of the opinion that it could be substantially reduced. This opinion is based on the following assumptions: that experience shows that our export production in general has not had a correct relationship to the problem of export; that export has remained on the periphery of the agenda of responsible agents of nationalized industry; ~~that~~ and that production has not fulfilled its obligations. The most striking proof of this is the fact that export permits, which were based on concluded contracts, were not fulfilled, and that the difference between export permits and actual export for 1948 is 7 billion crowns. We may therefore assume that the introduction of monopoly companies and the exclusion of

SECRET

SECRET

the private sector from foreign trade would make it possible to reduce the ^{margin of error} safety coefficient for export by one-half, which is about 12 percent or about 5,500,000,000 crowns. This means that we may assume that our export will actually amount to about 42,000,000,000 crowns at the best. From this it follows that if we were to reduce import to 42 billion, we would achieve ^{an even} a ~~favorable~~ trade balance at best; we will not, however, achieve ^{an even} a ~~favorable~~ ^{of payments,} payment balance which will require an additional sum of about 4,000,000,000 crowns.

We are counting on the fact that we have certain reserves, that is, possibilities of export ^[unil. symbol] "Z" of about 1 billion in Areas VI and VII, and a reserve of about 1,000,000,000 crowns in export "C" in Area I. Without this reserve we could not propose an even trade balance, because the slightest disruption in export would affect the fulfillment of import. In this connection it must be noted that although the import plan as a whole was well fulfilled, it was not fulfilled uniformly in all items, mainly for the following reasons:

- 1) The import of foods has increased, and will probably be fulfilled more than 100 percent. This has resulted in a shift at the expense of the most valuable and most important raw materials and investments.
- 2) Under the plan for 1948, we had to import a great amount of superfluous, unplanned goods, for commercial-political reasons.

Territorial composition of foreign trade

According to the Five-Year Plan, our export was to be distributed to the various areas as follows:

(in percentage of total import or export)

Year	Import						
	I.	II.	III.	IV.	V.	VI.	VII.
1948	11.8	12.3	8.8	1.6	31.9	19.1	15.3

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SECRET

SECRET

Year	I.	II.	III.	IV.	V.	VI.	VII.
1949	14.6	17.1	10.1	2.3	29.1	14.4	12.4
1953	14.3	17.0	10.8	3.2	27.8	14.3	12.6

Export

Year	I.	II.	III.	IV.	V.	VI.	VII.
1948	11.7	14.4	7.7	1.8	42.3	18.3	13.8
1949	16.3	16.6	9.8	2.8	30.5	13.1	10.9
1953	14.7	16.4	10.4	4.3	29.9	13.0	11.3

In contrast to this, the plan as it appears in Tables I and II indicates the following figures:

Area	Import	Export
I	19.24	17.53
II	13.77	14.96
III	8.77	9.08
IVa	1.77	2.07
IVb	1.64	2.81
V	27.05	28.24
VI	14.58	15.17
VII	13.18	10.14
	<hr/>	<hr/>
	100.00	100.00

These figures indicate an improvement not only in comparison with 1948, but also in comparison with the target for 1949.

Realistic planning

We consider the plan to be realistic. In regard to import, we have included some items which ^{we} would like to have omitted. We are at the limits of ^{out} commercial ^{and} political capacity, and have acted on optimum assumptions. In regard to export, we have started with the assumption that an increase in actual export from 35 billion to 42 billion crowns

SECRET

SECRET

(20 percent) is the maximum of our capacity, even if we must conclude below that the export figure is too low in relation to prewar export.

It is evident from the above discussion that in the final balance of the plan we must either increase export or reduce import.

In spite of the fact that an increase in the export figure would mean a simplification of planning tasks, we cannot recommend such a step; experiences from the past year and from the discussion of export surpluses show that it is not possible to recommend conscientiously an increase in export. In providing for export, we included a number of export items in spite of the explicit protest of production ^{agents} ~~which~~ ^{who} declared that ^{they do} ~~it does~~ not have such large surpluses. If we lowered the export coefficient from last year by one-half, we consider 42 billion as the optimum figure. The question has therefore been reduced to lowering import to 42 billion, or by about 5 billion; ^{in effecting} ~~to achieve~~ this reduction, we must eliminate the unfavorable balance in the dollar area, which is about 1,500,000,000 in the original plan, and increase the favorable balance in Area V, which is only one-half billion. Starting from this consideration, we will analyze the individual planned items.

1) Agriculture

Apart from the relatively low figure, we see no possibility of reduction, because the estimates are being maintained proportionally both in import and in export.

2) Food

^{is to be found}
The deficit of 5 billion in our trade balance ~~must be expected mainly~~ in the food sector. In the face of reduced estimates, the requirements of food have increased by ~~520 million~~ 3,759,000,000; on the other hand, export has decreased by about 580,000,000 (hops, potatoes in ^{therefore} quantity, and the reduced price of sugar). On the whole, ^{the balance} ~~the balance~~ deficit

SECRET

SECRET

of the food sector is about 4,200,000,000 ^{was} ~~were~~ than was anticipated. We are now faced with the problem as to whether it would be possible to reduce import in the food sector so as to eliminate this deficit. It is not possible to increase export, because it is problematical as to whether it will be 100 percent fulfilled (the export plan in agriculture was fulfilled only 48 percent in 1948).

Possibilities of savings in the food sector

We are importing 4,104,000,000 from Area I, that is, the USSR; this volume is fixed by an international agreement, and cannot be changed. Possibilities of savings in Areas II and III are practically non-existent, because this import consists primarily of foreign credit items such as sunflower seeds, fats, meat, and feeds. The import of ~~these~~ superfluous goods is connected with the import of these valuable foodstuffs and other commercial-political considerations. The possibility of savings in Area IV is not taken into consideration because of the volume. Areas V, VI, and VII remain. Apart from commercial-political considerations, it would be theoretically possible to make the following reductions:

Goods	V	VI	VII	Total
Cacao beans		30	70	100
Coffee			50	50
Lemons	35			35
Almonds	12			12
Rice	17	18		35
Apples	46			46
Pectin	6			6

- 8 -

SECRET

SECRET

Goods	V	VI	VII	Total
Fruit pulps	6	4		10
Fruit concentrates	6 ⁷	4		10
Onions	5	5		10
Copra			150	150
Sunflowers	80			80
Soy beans	8			8
Marine fish	100			100
Dried milk	25			25
^{Gut} Intestines	30			30
Preserved fish	15		8	15
Volatile oils	9			9
Oil-cakes	75			75
Fish meal			24	24
Total reduction	475	61	294	930 [sic]

It is estimated that ^{with} in ~~in~~ surpluses it would be possible to save 200 million in Area V, 50 million in Area VI, and 200 million in Area VII, or a total of 450 million; this would reduce the food plan, that is, the deficit in food, from 4.2 billion to approximately 3.7 billion. From a commercial-political standpoint it will be very difficult to make this saving, particularly in Area V; even without these reductions we have ~~already~~ gone considerably below the limit which we had to take into consideration on the basis of previous experiences. At the same time it must be noted that the recently discussed increased import of feeds is not yet contained in the plan of the food sector.

In conclusion, we must consider the problem as to whether the reduction of the estimates with which we are comparing import and export is correct, or what the correct figure ought to be. We could ^{calculate} ~~consider~~ these figures from several standpoints.

SECRET

SECRET

Import under the food plan for 10 years before the war amounted to approximately 18 percent of the total import on the average. With an estimated import of 42 billion, 7.6 billion would be for food (we are not counting the correction for the reduction in population). Planned import is 11,053,000,000. The difference in import is 3.4 billion, and according to our calculation, the difference is 3 billion. ^[text partially omitted] 3.767 This means that from this standpoint the correctness of the reduced estimate is confirmed.

If we calculate the volume of import from the standpoint of the price index, it appears as follows: in 1937 we imported approximately 1.5 billion in the planned food sector. If we multiply this figure by the price index of 467.8, we obtain approximately 7 billion in comparison with the planned import of 11 billion. This represents a deficit of 4 billion. From whatever standpoint we calculate, the correctness of the estimates is indicated, and therefore the fact that the substance of our deficit is in the food sector.

Of all the remaining sectors, we are discussing only the metallurgical and metal-working sector; we have no special objections in regard to the other sectors. They appear to be completely within the compass of the estimates with smaller changes, which are not decisive and which do not change the substance of the plan.

Metallurgy and metal-working

In metallurgical import, the difference between the reduced estimate and the plan is 1 billion crowns. In metal-working, the difference is 600 million crowns, which makes a total of about 1.6 billion. The export of metallurgical and metal production remains at the same level as the plan. This sector has therefore increased its consumption by

SECRET

SECRET

1.6 billion crowns; if we add this item to the deficit from food, we have accounted for the total deficit.

The food deficit is caused by the bad harvest; it is not structural, because it could be quite substantially decreased by a normal harvest and efficient purchasing. The deficit in metallurgical and metal production, however, is a structural deficit. There are two reasons for this:

- 1) This sector converts raw materials into products for the most part over a longer time than the planned period.
- 2) The planned change in the structure of our economy requires an increase of import in this sector.

If we imported raw materials for the field of light industry at a constant value, we could cover the value two or three times or more by processing these raw materials; this export would be real, because the textile and leather and rubber industries still have a sufficiently great reserve capacity. This type of import is manifested as increased import, but at the same time it is not manifested as increased export. This means a relative reduction of export. This also means that this export may begin to show itself in 1950 at the earliest, because of the structure of our economy and the nature of production.

We consider this fact to be extraordinarily important, and it will be necessary to draw conclusions from it, which we will attempt to formulate.

Investments which are planned in each sector and which amount to approximately 4 billion belong to the same category. These investments are planned mainly from Areas V, VI, and VII. 1,562,000,000 of this is for metallurgy and metal production.

If we should compare the import of investment items before the war and after the war, we would arrive at the following results (of course, for the sake of precision we should compare investments of

SECRET

SECRET

similar categories; failure to do this gives rise to a certain imprecision):

In 1937, at a time of increased investment activity, we imported almost 1 billion crowns worth of investment items, including replacement parts for maintenance. The price index is about 2.7. If we were to calculate with an index of 3, we would obtain 3 billion against 4.5 billion in the plan for 1949. Of this sum, 4 billion are for investments and 500 million for maintenance. An increase in import of about 1.5 billion is indicated. It must be noted here that this is import which reproduces itself only after several years, and emphasizes the reason for the relative reduction of export.

Foreign credits in the plan for 1949

The unfavorable balance of 1,492,000,000 in Area VII is striking. The second large deficit item is the first area, which is completely covered by item C. The low favorable balance of Area V is also very unsatisfactory; Area VI is absolutely incapable of covering the deficit of the payment balance.

Dollar area

The total import is 6,297,000,000. The principal items are as follows:

(in millions of crowns)

Leather	1,440
Cotton	660
Copper	621
Aluminum and aluminum alloys	247
Copra	240
Tallow	177
Dyes and medicines	170
Rolled material	150 (for construction of railroad cars)

SECRET

SECRET

Cacao beans	134	
Wool	120	
Ball bearings	100	
Tanning agents	100	
Coffee	96	
Chemicals	70	
Scrap metal	54	
Lacquer solvents and softening agents	60	
Lubricating oils	51	
Paints	50	
Iron alloys	48	
Special rubber	48	
Resins	45	
Linseed oil	42	
Artificial resins	40	
Lampblack	40	
Flax	30	23
Fish meal	24	1147
Sisal	20	10
Carbide, corundum	19	177
Sulfur	18	
Books	11	
Wood for pencils	11	
Machines and parts	1,147	
Total	6,093	(of the total import from Area VII of 6,297,000,000 crowns)

There appears to be a need for a shift to Area I, because there is no problem here of a shortage of foreign credits, which we consider

SECRET

a great danger; furthermore, in the case of a number of items, it is not certain whether we will obtain them even at the price of foreign credits (export licenses in the USA). Therefore a shift to Area I is a question of our economic independence of the West. Non-ferrous metals are especially important in this respect. Leather is an import problem at the present time, where we deal with Argentina and Brazil, and where we are encountering extraordinary difficulties. Our supplies are at a minimum, and the fulfillment of the production plan is seriously threatened. We do not wish to deal with individual items, but it is necessary to make the following remarks:

The import plan for 1948 amounted to 1 billion, but only about 700 million will be fulfilled. 1.4 billion has been planned for 1949, which is justified by the fact that consumption is given by the production program. At the present time, it seems very improbable that this import is practicable; and it will be necessary that a special commission investigate this problem from the standpoint of the production program and the possibility of import. The import of leathers is practically possible only from South America.

In Area VI we should increase the balance by lowering import by about 200 million; in Area V, by lowering import by about 1 billion.

Conclusions

Before coming to a conclusion, we must consider the question as to whether ^{our} ~~are~~ import is too high or our export too low.

In 1937 our import amounted to about 11 billion. If we subtract foods and livestock in the amount of 1.7 billion from this sum, we will obtain a figure of 9.3 billion. This figure multiplied by a price index of 3.69 is about 34 billion; and if we add to this the above calculated foods in the amount of 7 billion, we obtain 41 billion.

SECRET

SECRET

This import would correspond to production in 1937. In view of the fact that production will increase 20 percent compared to 1937, and that import (by very rough calculation) is equal to 15 percent of the value of production, we must add about 15 percent of the increased production of 25 billion, which is 3.8 billion. Therefore the total import would amount to 41 plus 3.8, or 44.8 billion. Planned import is 47.4 ^{billion} ~~millions~~. Therefore we have a difference of 2.6 billion between planned import and actual import, which is covered by the exceeded import of food.

Export in 1937 was about 12 billion. The export index is 4.128; therefore export should amount to about 48 billion. On the other hand, planned export is 47.4 billion, which means that we should export 1.6 billion more than planned; furthermore, we must bear in mind that the factual export is only 42 billion, so that the difference is 6 billion. It must be noted that total production is increasing and the population has declined; theoretically, therefore, export surpluses should be greater, assuming a constant standard of living and a constant economic structure.

This comparison yields the following results:

In regard to raw materials, import is equal to prewar import; in regard to foodstuffs, it is substantially higher. Export is substantially lower than before the war for the following reasons:

- 1) The continuing effect of the bad harvest;
- 2) Insufficient purchasing in the field of agriculture;
- 3) Greater demands of the domestic market;
- 4) The change in the structure of our economy, especially as a result of increased investment activity; this is apparently the principal reason.

SECRET

SECRET

We have asked the following question: Is it possible to eliminate the deficit in the trade balance for 1949 by reducing import or increasing export?

We see no possibility of increasing export; the only possibility ^{to} would be/reduce import. We have practically seen the possibility of reducing import in food by 500 million; but any reduction of import would be possible only at the expense of import of key raw materials and the investment plan. The first and second possibilities would substantially threaten the production plan for 1949, and perhaps would slacken investment activity. It is obvious that we can take such steps only if and when all other means have been exhausted. It would result in a change in the production program and hence a radical reduction in domestic consumption (footwear, textiles).

We will build up a reserve to a certain extent by such measures as increased scrap collection, greater economy in using ^{foreign} credit raw materials, the systematic replacement of ^{foreign} credit raw materials with substitutes, increased purchase of agricultural products, improvement in the quality of production, and a substantial reduction in spoilage of material in production; we cannot value this reserve too highly, however, because it has already been taken into account in the operational plan.

We will also obtain a relatively small reserve in foreign trade itself by on-time deliveries, expert packing, monopolization, and reduction of administrative expenses. It must be said, however, that any improvement measures which we ourselves can take will not substantially change the shape of the trade balance.

The only possibility which we see is credit.

The question must be raised as to whether it is proper from the standpoint of the national economy to orient ourselves to credit: in other words, whether credit is to remove the results of the defects

SECRET

- 16 -

~~SECRET~~

inherent in our economy, or whether it is ^{only} to serve as an aid in overcoming temporary difficulties. We have prospects not only of economizing without credit but also of ^{repaying} paying off this credit.

It is evident from the analysis itself that the deficit consists of two parts: one part is caused by food, and the other arises from the fact that we are importing more investment items and more raw materials for heavy industry.

The acceptance of credit to cover the deficit in the food balance is dangerous, and is a great burden to the national economy.

If the problem of food were the only cause of the need for credit, we could not recommend its acceptance. The main cause of the deficit, however, is as follows: the import of investment items to the value of about 1½ billion more than before the war; the import of raw materials for investment production in approximately the same amount; and the relative reduction of export. We are of the opinion that credit is acceptable and proper from the standpoint of the national economy. In this connection, it is necessary to call attention to the following two facts:

1) Czechoslovak economy, with minimum credit and no foreign credit reserves whatsoever, fulfilled practically all of ~~it~~ the assigned tasks of the Two-Year Plan, and to a considerable extent recovered from the effect of the catastrophic bad harvest. This is an extraordinarily important fact in comparing our economy with the economy of other countries.

2) Actually our economy is a creditor in import, because we pay in advance for the import not only of investment items but of raw materials as well. This sum may be conservatively estimated as at least 10 billion crowns. Czechoslovakia is a creditor in export, because

SECRET

SECRET

we have claims abroad for at least 5 billion. Therefore Czechoslovakia is a creditor to the extent of 15 billion, which is equivalent to about 300 million dollars.

Credit would mean a sort of Lombard loan for goods in motion; if we should propose the procurement of a loan of 10 billion, we would obtain a sum which would cover foreign credit requirements for 1949 and 1950. This sum would be covered by our claims, which we mentioned in the preceding paragraph.

We therefore propose that the import and export plan be accepted in its entirety; that an effort be made to obtain credit; and that, only in case of failure to obtain credit new discussions be held.

- 18 -

SECRET

SECRET

Table I Comparison of Estimates and the 1949 Plan for Import

(in millions of crowns)

Field	Estimate Estimate	Estimate minus 7%	Plan for 1949	Difference
Agriculture	900	837	703	- 134
Food	7,844	7,294	11,053	+ 3,759
Tobacco	1,000	930	935	+ 5
Mines	2,070	1,925	1,972	+ 47
Power	330	307	329	+ 22
Metallurgy	4,400	4,092	5,057	+ 965
Metals-working	4,860	4,520	5,117	+ 597
Chemistry	5,280	4,910	4,865	- 45
Glass	263	244	276	+ 32
Ceramics	541	503	552	+ 49
Paper	1,000	930	880	- 50
Wood	1,150	1,069	1,117	+ 48
Textiles	8,576	8,576	9,019	+ 443
Leather	2,590	2,409	3,793 [sic]	+ 134
Rubber	1,345	1,250		
Graphics	65	61	55	- 6
Film	146	136	157	+ 21
Phonographs	20	19	19	-
Construction	110	102	102	-
<u>Transportation</u>				
Railroad	117	109		
Urban railroad	4	4		
Highway	66	61	368 [sic]	- 14
Water	37	35		
Air	186	173		
Postal	83	78	77	- 1

SECRET

Field	Estimate	Estimate minus 7%	Plan for 1949	Difference
<u>Social</u>				
Health	340	316	317	+ 1
Social welfare	2	2	1	- 1
Foreign traffic	2	2	2	-
Education	15	14	9	- 5
Radio	15	14	15	+ 1
Public administration	1,100	1,023	975	- 48
Total	44,457	41,945	47,765	+ 5,820

SECRET

- 20 -

Table II

Field	Comparison of Import (in millions of crowns)									
	Total	I	II	III	IVa	IVb	V	VI	VII	VIII
Agriculture	A	551	246	6	69	1	-	128	21	80
	B	702	370	67	51	19	5	115	10	65
	C	151	124	61	18	18	5	13	11	15
Food	A	11,063	1,930	1,897	1,816	7	-	2,961	720	1,732
	B	11,053	4,104	2,285	1,929	22	6	1,542	628	524
	C	10	2,174	391	113	15	6	1,419	92	1,208
Tobacco	A	1,000	40	780	-	-	-	160	20	-
	B	935	12	650	1	-	-	255	-	17
	C	65	28	130	1	-	+	95	20	17
Minerals	A	1,325	-	1,134	12	6	-	10	70	93
	B	1,972	-	1,663	81	5	47	30	59	87
	C	647	-	539	189	21	2,087	1,370	11	6
Metallurgy	A	4,522	400	351	302	142	-	2,035	184	1,078
	B	5,057	1,080	437	172	113	228	1,875	265	887
	C	535	680	56	130	29	228	160	81	191
Power	A	350	-	50	7	112	-	152	7	22
	B	330	-	120	8	33	36	144	14	7
	C	20	-	70	1	79	6	8	5	15

SECRET

Field	Total	I	II	III	IVa	IVb	V	VI	VII
Metal - working									
Metal + artisan industry									
Chemistry									
Ceramics									
Glass									
Wood									
Paper									
Textiles									
Leather and rubber									
Graphics									

SECRET

	Total	I	II	III	IVa	IVb	V	VI	VII
Field									
Construction									
A	183	-	-	-	-	-	92	61	30
B	102	25	-	5	-	5	32	15	20
C	81	25	+	5	-	+	60	46	10
Transportation									
A	456	-	-	6	25	-	103	170	152
B	445	61	9	3	10	12	178	72	100
C	11	61	9	3	15	12	75	98	52
Miscellaneous (artisan industry, commerce, etc.)									
A	1,331	58	43	86	73	-	718	160	193
B	1,425	326	12	91	82	8	603	98	275
C	164	268	31	5	9	8	115	62	82
Totals									
A	40,405	4,501	5,284	3,396	639	-	12,966	7,645	6,374
B	47,766	9,185 [sic]	6,577	4,187	846	784	12,924 [sic]	6,966	6,297
C	6,961	4,684	1,293	791	207	784	42	6,679	77

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*film, phonographs, Ministry of Health, Ministry of Education, Ministry of Social Welfare, radio, CZE (Czechoslovak News Agency), Zeminl, Ministry of the Interior, Orbis books, Ministry of Internal Trade, and the Ministry of National Defense

Table III

Comparison of Export
(in millions of crowns)A = 1943 plan
B = 1949 plan
C = difference

Field	Total	I	II	III	IVa	IVb	V	VI	VII
Agriculture	A	901	135	140	262	-	263	21	60
	B	687	55	199	102	25	189	9	59
	C	-	80	59	160	25	74	12	1
Food	A	2,058	278	30	76	-	762	323	426
	B	3,277	545	25	182	27	1,570	470	406
	C	1,219	267	5	106	27	808	147	20
Miner	A	2,283	-	196	995	-	792	13	6
	B	2,520	7	324	1,209	549	196	4	3
	C	237	7	128	214	549	596	9	3
Metallurgy	A	5,395	1,290	644	360	-	2,223	336 [sic]	396
	B	5,622	1,162	940	705	8	2,042	314	216
	C	227	128	296	345	8	181	52	180
Power	A	3	-	1	-	-	-	-	-
	B	4	-	-	1	-	-	-	-
	C	1	-	1	1	-	-	-	-
Metal - working Metal - artisan industry	A	-	-	-	-	-	-	-	-
	B	235	5	64	23	-	69	47	27
	C	235	5	64	23	-	69	47	27
Metal - working	A	12,718	1,192	3,672	881	-	3,467	1,798	1,642
	B	12,838	1,752	3,671	1,000	539	3,167	1,595	976
	C	120	560	1	119	539	300	203	666

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Field	Total	I	II	III	IVa	IVb	V	VI	VII
Chemistry									
A	1,724	304	310	239	37	-	538	175	121
B	1,956	314	371	248	27	22	700	140	134
C	232	10	61	9	10	22	162	35	13
Ceramics									
A	2,003	140	247	168	61	-	539	296	552
B	1,999	169	301	234	27	85	623	225	335
C	4	29	54	66	34	85	84	71	217
Glass									
A	2,268	134	62	59	28	-	664	641	680
B	3,027	355	43	77	43	5	937	700	867
C	759	221	19	18	15	5	273	59	187
Wood									
A	3,126	35	74	48	118	-	1,348	1,268	235
B	1,819	90	64	61	34	19	784	624	143
C	1,307	55	10	13	84	19	564	604	92
Paper									
A	1,825	63	156	146	9	-	445	474	322
B	1,362	152	98	100	-	5	362	560	85
C	263	89	68	46	9	5	83	86	237
Textiles									
A	6,846	470	231	325	20	-	2,509	1,968	1,123
B	7,839	1,733	269	183	22	40	2,145	2,032	1,415
C	1,193	1,263	38	142	2	40	364	64	292
Leather and rubber									
A	3,971	1,270	709	201	81	-	805	656	248
B	4,019	1,955	707	173	120	6	591	440	117
C	138	685	2	28	39	6	215	216	131

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Field	Total	I	II	III	IVa	IVb	V	VI	VII
Graphics									
A	58	1	5	3	2	-	5	33	9
B	58	-	4	5	-	-	10	29	10
C	-	1	1	2	2	-	5	4	1
Miscellaneous (artisan industry, commerce, etc.)									
A	1,642	9	52	80	27	-	448	384	642
B	48	16	9	1	3	-	5	2	12
C	- 1,594	7	43	79	24	-	443	382	630
Totals									
A	46,421	5,321	6,539	3,843	1,031	-	14,809	8,416	6,462
B	47,400 [sic]	8,310	7,089	4,304	981	1,330	13,390	7,191	4,805
C	+ 979	+ 2,989	+ 550	461	50	+ 1,330	- 1,419	- 1,225	- 1,657
Balances in individual areas	- 366	- 875	+ 512	+ 117	+ 135	+ 546	+ 466	+ 225	- 1,492

*film, phonographs, and public administration

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[Part II] SECRET

The Economic Council decided the following at its meeting of the 24th of this month: [presumably, Nov. 1948]:

1) To reduce the import of meat, fats, and raw hides on the following basis: the number of slaughtered livestock will be increased by 100,000 head in 1949. Instead of the estimated increase of 20 percent in the meat ration, it will be increased only 10 percent. Instead of the estimated increase in ration of fats by 15 - 20 percent, it will be increased only 10 percent. This means that the estimated increase in rations for the Five-Year Plan has been reduced 10 percent in the case of meat and 5 - 10 percent in the case of fats. [a report is attached]

2) To cross-check the balance of feeds, and to ascertain the necessity for increased import from the standpoint of the fattening plan. A report is attached.

3) To ascertain the balance of motor fuels, and how much it must be increased. A report is attached.

4) To prepare a balance for the Central Planning Commission, in order that a favorable balance might emerge partly through an increase in the import coefficient by adding export "C" and "Z" to the balance. A report is attached.

5) To examine the ^{of payments} payment balance. A report is attached.

6) To propose a ^{stricter system of acquiring (radob)} ~~sharpened regime of~~ [presumably] ~~[unidentified word]~~ of export and import permits]

Overall report

These conclusions may be made from the following reports:

Increase in import: Feeds 700 million; 350 million in Area II and 350 in Area III.

Increase in export: Meat 780 million; 180 million in Area V and 600 million in Area VI.

Reduction in import: Leather 70 million (from Area VII).

In the case of fats, we offer 2 alternatives:

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First alternative: a reduction of 250 million (in Area VII).

Second alternative: a reduction of 500 million (50 million in Area III; 130 million from Area VI; 70 million in Area V; and 250 million in Area VII).

According to ~~this~~ we obtain the following alternate balances:

1) If we count only the increased coefficient of import of 12 percent, we obtain a favorable balance of 1,471,000 crowns. If we count the savings in meat, leather, and fats (first alternative), as well as the increased import of feeds, we obtain a favorable balance of 1,871,000.

2) With the second alternative for the import of fats, we obtain a favorable balance of 2,371,000 crowns. There is a detailed classification in the supplements. These figures have been calculated with the assumption of export "Z" as 1,000,000,000 and export "C" as 1,000,000,000.

Report on Pasts

These data are based on material of the Ministry of Food submitted by Messrs. Wiesner, Cinke, and Vondrich. Messrs. Maloch, Loebel, and Ruzicka participated in the discussion.

Consumption in the Czech Provinces (ration consumption plus non-ration consumption) is 185,455 tons.

Including an addition of 10 percent, in order that we might arrive at the value of the meat, the total consumption for 1948 amounts to 204,000 tons of meat.

If we add 10 percent to this linearly, in order to obtain an average increase of 10 percent, we obtain a figure of 224,400 tons.

Consumption in Slovakia is estimated at one-fourth, or 55,880 tons, of the total 280,280 tons. The coverage for this in the Czech Provinces and Slovakia is as follows:

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	<u>Czech Provinces</u>	<u>Slovakia</u>
Beef	77,206	26,685
Pork	102,581	16,692
Veal	13,690	6,774
	<hr/>	<hr/>
	193,477	48,151

Total: 241,628

Balance

Consumption	280,280
Coverage	<u>241,628</u>
Remainder	38,652 (deficit)

The import plan is 47,500 tons; this indicates that it would be possible to increase [sig] the import plan by about 9,000 tons. If we were to add the saving the meat by the slaughter of stock (100,000 head), the saving would increase about 20,000 tons. The total saving in meat would be 26,000 tons, which represents 780 million crowns.

Our colleagues from the Ministry of Food have advised that such a slaughter of stock would mean losses, which would appear in our agriculture after a period of 10 - 15 years.

It is not possible to reduce import by this amount when there are commercial-political ~~xxxxxxxxxxxx~~ obligations; therefore we propose that the import plan be kept intact, on the understanding that we would account for this sum in the export plan. ~~xxxxxxxxxxxxxxxx~~ This is more rational, because the export of meat of equivalent value requires a smaller quantity of meat. We would export this meat in the form of preserves to the sterling area and partly to Area V. Therefore we are counting under the category of savings of meat in the plan 180 million in Area V and 60 million in Area VI. An estimated slaughter of 100,000 head would mean a foreign credit saving of 70 million crowns; with this item we can cross out 70 million of import.

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Fats

The nation-wide ration value of fats, if we count the consumption for 1948 plus 10 percent, is equal to 130,405 tons, as follows:

Butter	32,593
Lard	20,588
Artificial fats	77,224

Coverage, including import:

Butter	55,356
<u>Lard</u>	<u>34,687</u>
Total	90,043

Balance

Requirements for 1949

130,405

Coverage

90,043

Remainder

40,362

The remainder must be issued in artificial fats. The planned ration value of artificial fats is 66,451, so that 26,089 tons remain; the ration value of artificial fats may thus be reduced by this amount. This would little immediately after the reduction of import of copra by 30,682 tons (which is equivalent to 19,023 tons of fat value).

Our colleagues from the Ministry of Food state in this regard that it is hardly possible to give out all the butter on rations, for it would upset the ration balance; they propose that 10,000 tons of Soviet butter remain for 1949. In this case the import of copra would be ~~reduced~~ reduced 15,000 tons.

In the first case the saving would be about 500 million crowns; in the second case, 250 million crowns (we could save 250 million in Area VII). Under the second alternative, the savings would be 500 million; actually only a saving of 450 million is possible, because such is the planned import of copra. We would have to take 50 million from Area II. 130 million crowns worth of sunflower seed is planned in Area VI, and 70 million in Area V.

SECRET

30

SECRET

In this connection, our colleagues from the Ministry of Food declare that we cannot get along without the import of copra, because it is necessary from the production standpoint. In view of the short time, we have had no opportunity to verify the correctness of this assertion.

According to these data, the allotment of fat and meat would be increased 10 percent in comparison with 1948. In the case of meat, it would be 10 percent lower, because so much food was planned for the first year of the Five-Year Plan. In the case of fats, this reduction would be about 5 - 10 percent of the fat value; we could not give more precise figures.

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[Presumably Report on Point 2]

Notes on the Conference Held 25 November 1948

Participating:

For the Raw Material Commission: Senior Director Maloch
 For the Ministry of Food: Wiesner, Cinke, Vondrich
 For the Ministry of Agriculture: Lamberk, Herlinger, Samsonov
 For the Ministry of Foreign Trade: Loebel, Ruzicka

1) It is possible that the import requirement for feeds will increase, in connection with the beginning of fattening in the large fattening centers. The introduction of large/~~fattening~~^{fattening} centers does not mean a greater consumption.

The representatives of the Ministries of Food and Agriculture answer this question as follows: The import of 51,000 carloads of feeds (in addition to fish meal) was originally planned. This import represented a sum of about 14,500,000 in the food import plan. In the course of discussions with the Commission for Foreign Trade, this plan was reduced to 11,053,000. Representatives of the Ministry of Food declare that, as a result of this reduction in the total plan, they have reduced the planned import of feeds to 1,470,000,000. As a result of this, there is a request for an increase in the item of 1,470,000,000. They do not justify the introduction of large fattening centers, but renew their original request.

2) It follows from the first point that it is necessary to investigate the correctness of the original item. About 3,500,000 hogs are to be fattened. In addition to this, however, there are also horses, sows, boars, cattle, etc. See the attached table, page 2.

The largest item is hogs, where there is a reduced requirement of 2.5 quintals per hog.

In comparison with the original requests, the allotments for horses have been reduced from 10 to 9 quintals annually.

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We have omitted young breeding stock: cattle, from 2 to 1.8 quintals; goats, from 40 to 20 kilograms.

On this basis, our colleagues from the Ministry of Agriculture obtained the import requirements as indicated on page 1. They are as follows:

37,415 earloads of grains

14,289 earloads of kernel fodders

This would correspond to the following expenditures: If we take the most recently obtained Rumanian prices^{for grains} of 480 crowns (per ton for [FRANCE]) ~~unidentified abbreviation~~^{at} the Czechoslovak border) it amounts to 1,795,000,000.

For kernel fodders, at a price of about 500 crowns the Czechoslovak border, it would amount to ~~to~~ about 714 million.

The total would be around 2,500,000,000 crowns.

We have 1,471,000,000 in the plan for 1949; these figures represent an increase of about 1 million. There is a saving of 1 billion in comparison with the original requests, which are based on higher purchase prices.

^{is to} A certain reserve ~~must~~ be seen in the expected price development. It may be considered that the price could decline from 480 to 400, which would mean a saving of about 300 million. The total requirement would thereby decline to 2,200,000,000; ~~thus~~ we would increase the original plan by 700 million. We are planning this item half for Area II and half for Area III. In the event that our assumption concerning the reduction of prices is correct, namely, that there will be a drop in maize to 400 and in ~~grains~~ kernel fodder to 500 at the most, a shift of 7,000 earloads of kernel fodders to maize is possible, with a saving of an additional 70 million. In any event, we have decided to carry out this shift from the foreign credit standpoint, inasmuch as it would be

SECRET

33

SECRET

simultaneously a shift from the sterling and clearing areas to Areas II and III. We will not reduce the import plan by this 70 million, however; we are counting ^{on} it as a reserve in the event that the estimate of the price development is imprecise.

It has also been decided that supplies will not be purchased. This means that we must consider the fact that a very good harvest in 1949 would enable us to reduce the import requirements calculated for the calendar year 1949; therefore it will be necessary to revise the import plan in August 1949.

Prague, 25 November 1948

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Requirements
 Demand for Feeds from 1 January to 31 December 1948

Type	Allotment in quintals per head	Czech Provinces		Slovakia		Czechoslovakia	
		Carloads needed	Number of animals	Carloads needed	Number of animals	Carloads needed	Number of animals
Grains:							
Czechoslovak Army	-	2,888	-	1,257	-	4,145	-
Horses	9	36,000	220,000	19,800	620,000	55,800	-
Hogs to be slaughtered	2.5	62,150	942,000	23,550	3,428,000	85,700	-
Goats	7.5	21,900	136,000	10,200	423,000	32,100	-
Beasts	5.5	685	6,110	336	18,565	1,021	-
Poultry	18/100	43,110	10,500,000	18,900	34,450,000	62,010	-
Total grains	-	166,733	-	74,043	-	840,776	-
Solid feeds:							
Sheep	1.8	47,700	950,000	17,100	3,600,000	64,800	-
Cattle	0.4	640	360,000	1,440	520,000	2,080	-
Goats	0.2	2,000	92,000	184	1,092,000	2,184	-
Poultry	4/100	9,580	10,500,000	4,200	34,450,000	13,780	-
Total solid feeds	-	59,920	-	22,924	-	82,844	-

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SECRET

35

SECRET

Allotment in quintals per head	Czech Provinces		Slovakia		Czechoslovakia	
	Number of animals	Carcasses needed	Number of animals	Carcasses needed	Number of animals	Carcasses needed
<u>Fish meal:</u>						
Hogs to be slaughtered	0.15	2,486,000	3,729	942,000	3,428,000	5,142
Sows and boars	0.15	304,455	456	142,110	446,565	669
Poultry	0.7/100	23,950,000	1,676	10,500,000	34,450,000	2,411
Total fish meal	-	-	5,861	-	-	8,222

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Balance of Feeds for 1949

(in carloads)

	Czech Provinces	Slovakia	Czechoslovakia
<u>Grains:</u>			
Requirement	166,733	74,043	240,776
Coverage	133,633	71,728	203,361 [SFC]
Deficit	35,100	2,315	37,415
<u>Solid feeds:</u>			
Requirement	59,920	22,924	82,844
Coverage	49,554	19,001	68,555
Deficit	10,366	3,923	14,289
<u>Fish meal:</u>			
Requirement	5,861	2,361	8,222
Coverage	1,506	565	2,071
Deficit	4,355	1,796	6,151

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37

SECRET**Calculation of Production of Grains in the 1948-49 Agricultural Year**

(in earloads)

Type	Czech Provinces	Slovakia	Czechoslovakia
------	-----------------	----------	----------------

1) Wheat

Production according to
the estimate of the State
Planning Office and PV
increased 15 percent

98,129

56,532

154,661

3.5 percent inferior
grain for fodder

3,434

1,978

5,412

2)

2) Rye (and mixture)

Production according to
the estimate of the State
Planning Office and PV
increased 15 percent

96,307

28,116

124,423

3.5 percent inferior
grain for fodder

3,370

984

4,354

3) Barley

Production according to
the estimate of the State
Statistical Office and PV
increased 15 percent

61,591

40,510

102,101

Seed-grain according
to the Two-Year Plan

6,800

6,000

12,800

Market quantity

20,000

11,000

31,000

Groats and subsistence
rations

1,500

1,000

2,500

Remainder for fodder

33,291

22,510

55,801

4) Oats (and oats-barley mixture)

Production according to
the estimate of the State
Statistical Office and PV
increased 15 percent

93,409

19,784

113,195 [sic]

Seed-grain

8,360

3,135

11,495

For production of
oat flakes

1,120

80

1,200

Remainder for fodder

83,929

16,569

100,490 [sic]

SECRET

38

Type	Czech Provinces	Slovakia	Czechoslovakia
5) Maize			
Production according to the estimate of the State Statistical Office and PV increased 15 percent	4,426	31,016	35,442
Seed-grain according to the Two-Year Plan	108	656	764
Seed-grain for green fodder according to the Two-Year/ Plan 500		300	800
Maize for industrial processing - starch	-	1,008	1,996
Remainder for fodder	3,818	29,060	32,870 [sic]
6) Feed legumes			
Production according to the estimate of the State Statistical Office	742	215	957
Seed	59	16	75
Market quantity	500	160	660
Remainder for fodder	183	39	222
7) Grain mixtures			
Production according to the estimate of the State Statistical Office and PV increased 15 percent	6,272	1,794	8,066
Seed	864	306	1,170
Seed for green fodder	1,800	900	2,700
Remainder for fodder	3,608	588	4,196
Recapitulation of grains			
Wheat	3,434	1,978	5,412
Rye	3,370	984	4,354
Barley	33,291	22,510	55,801
Oats	83,929	16,569	100,498
Maize	3,818	29,060	32,878
Feed legumes	183	39	222
Grain mixtures	3,608	588	4,196
Total	131,633	71,728	203,361

SECRET

39

SECRET**Calculation of Production of Solid Feeds in 1948-49****Number of carloads****Bran and feed meal from wheat****Czech Provinces:**

Commercial grinding in the first 3 months of the agricultural year 1948-49 (18.5 percent feed wastes from 12,891 carloads)	2,354
--	-------

Commercial grinding in the last 9 months with a grinding of 73 percent (25.5 percent feed wastes from 15,057 carloads)	3,839
--	-------

Commercial grinding in the last 9 months with a grinding of 80 percent (18.5 percent feed wastes from 35,136 carloads)	6,500
--	-------

Subsistence grinding in 12 months (26.5 percent feed wastes from 27,027 carloads)	7,162
---	-------

Slovakia:

Commercial grinding in the first 3 months (18.5 percent bran from 3,482 carloads)	644
---	-----

Commercial grinding of 78 percent (20.5 percent bran)	4,031
---	-------

Subsistence grinding in 12 months (26.5 percent bran from 24,672 carloads)	6,538
--	-------

Bran and feed meal from rye**Czech Provinces:**

Commercial grinding in 12 months (18.5 percent feed wastes (bran) from 46,832 carloads)	8,664
---	-------

Subsistence grinding in 12 months (26.5 percent feed wastes (bran) from 27,027 carloads)	7,162
--	-------

Slovakia:

Commercial grinding in 12 months (18.5 percent feed wastes (bran) from 6,574 carloads)	1,216
--	-------

Subsistence grinding in 12 months (26.5 percent feed wastes (bran) from 11,900 carloads)	3,153
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SECRET

40

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(in outloads)

<u>Other solid feeds</u>	Czech Provinces	Slovakia	Czechoslovakia
Barley bran	1,440	200	1,640
Oat bran	447	32	479
Pea waste	20	2	22
Maize waste in starch factories	-	300	300
Dried brewing dregs [yeast?]	34	9	43
Malt sprouts	493	76	569
Dried brewer's grains	2,883	574	3,457
Oil-cake scraps	4,512	1,600	6,120 [sic]
Crumbs	480	128	608
Waste from classification of malted barley	700	50	750
Waste from wheat in starch 7 factories	84	-	84
Molasses for feeding	1,000	200	1,200
1/2 percent beet molasses	1,750	240	1,990
Total	13,843	3,419 [sic]	17,262

Recapitulation of Solid Feeds

Wheat bran	19,885	11,213	31,098
Rye bran	15,826	4,369	20,195
Other solid feeds	13,843	3,419	17,262
Total	49,554	19,001	68,555

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**Calculation of Production of Fish Meal and Substitutes
in the Agricultural Year 1948-49**

(in carloads)

<u>Milk and dairy wastes</u>	Czech Provinces	Slovakia	Czechoslovakia
Whole milk	3,600	150	3,750
Skim milk	4,500	4,000	10,500 [sic]
Buttermilk	2,000		
Whey	24,000	8,000	32,000
Total	34,100	12,150	46,250
 Transferred to fish meal	 1,325	 545	 1,870
Qualitative, meat, fish, and blood meal of domestic production	181	20	201
Total	1,586 [sic]	565	2,071

SECRET

42

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**Preliminary Estimate of Planted and Harvested Areas of
Agricultural Products as of 1 September 1948 According to Data of
the State Statistical Office in Prague**

Total for the Czech Provinces

	Area in hectares	Quintals per hectare	Total yield
Winter rye	526,971	15.4	8,090,327
Spring rye	9,920	11.9	117,687
Winter wheat	406,957	17.3	7,035,551
Spring wheat	95,266	15.7	1,497,432
Winter barley	5,843	15.9	92, 7
Spring barley	304,477	17.3	5,203,914
Oats	433,293	16.2	7,003,124
Mixture	11,081	15.0	166,519
Oats-barley mixture	66,246	16.9	1,119,420
Shelled maize (estimate as of 1 October 1948)	20,462	18.8	384,825
Horse bean	1,266	16.4	20,724
Vetch	3,482	11.9	41,552
Sweet and bitter lupine	216	10.5	2,270
Mixtures of legumes and grains	31,077	14.6	454,003
Mixture of various legumes	7,227	12.8	92,247
Sugar beet (estimate as of 1 October 1948)	148,572	251.2	37,325,505

SECRET

43

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Preliminary Estimate of Harvest of Agricultural Products in Slovakia
(according to a teletype message of the State Statistical
and Planning Office in Bratislava sent to the Ministry of Food
on 20 October 1948)

Type of crop	Yield of Harvest in Metric Centners
Maize (pure cultivation)	2,146,818
Maize in mixtures	550,325
Mixtures of spring grain	154,067
Mixtures of late grain	25,359
Total wheat	4,915,836
Total rye	2,444,897
Total barley	3,522,646
Oats	1,720,347

SECRET

44

SECRETReport on Point 3

The Raw Material Commission is submitting the attached proposal with a total import for 1949 of 1,458,000,000 crowns. Compared to the plan, this represents an increase from 896 million to 1,458,000,000, or 558 [sig] million crowns. This increase goes to the account of the second and third areas; it does not harm the dollar balance. We are not yet counting this sum in the corrected plan, because it designates a higher limit, and the position of the Central Planning Commission has not yet been ascertained.

Proposed Mineral Oil Import Plan for 1949

Area	Area	Quantity in tons	Value in millions of crowns
Iranian <i>bitum</i> [ropa] (we are not counting the value of 30,000 tons remaining from 1948)	VI	35,000	81
Austrian crude oil (<i>pakura</i>)	III	30,000	63
Crude oil under the agreement with the USSR	I	50,000	80
Rumanian crude oil	III	80,000	136
Crude Rumanian gasoline	III	192,000	461
Petroleum distillate, USSR	I	60,000	120
Rumanian gas oil	III	87,000	187
Tars (Soviet zone of Germany)	IVa	13,000	10
Special lubricating oils:			
	V		20
	VI		28.8
	VII		60
		7,700	108.8
Paraffin, ceresin, etc.:			
	I		7
	VI		8
		1,000	15
100-octane aviation gasoline	VI	10,000	35

SECRET

45

	Area	Quantity in tons	Value in millions of crowns
Miscellaneous auxiliary substances:			
	I		3.6
	II		.12
	III		1.8
	IVa		2.5
	V		15.932
	VI		3.545
	VII		45.780
		2,504	41.827
<hr/>			
Petroleum distillate from the USSR for the Ministry of Transportation	I (or III)	60,000	120
<hr/>			
Total		628,204	1,458.627

Overall Estimate of Import of Mineral Oils

in 1948

(quantity already imported plus the quantity which will
be imported by the end of December 1948)

456,650 tons with a value of 1,158,000,000 crowns

SECRET

46

SECRETReport on Point 4

Balance of planned foreign trade for 1949 (in millions of crowns)

	Export	I	II	III	IVa	IVb	V	VI	VII
Export	43,571	8,280	6,238	3,784	864	1,170	11,737	6,276	5,222
Import	42,100	8,082	5,908	3,720	742	685	11,337	6,115	5,511
Difference	- 1,471	+ 198	+ 330	+ 64	+ 122	+ 485	+ 400	+ 161	- 289

We submit this balance with the understanding that we have assumed a 12 percent coefficient for both import and export; we have assumed "Z" deliveries to be 1 billion to Area VII, and "C" deliveries to be 1 billion to Area I. By this means we would obtain a favorable balance of 1,471,000,000 crowns. The saving in meat and fats has not been counted here. This saving is as follows:

Difference between import and export:

	Total	I	II	III	IVa	IVb	V	VI	VII
	- 1,471	+ 198	+ 330	+ 64	+ 122	+ 485	+ 400	+ 161	- 289
Increase import of feeds	100		350	350				600	
Meat export	- 780						180		
Leather	+ 10								10
Reduced import of fat, etc.	+ 250								250
	- 1,871	+ 198	- 20	- 286	+ 122	+ 485	+ 580	+ 761	+ 31

Second
alternative:

with saving in fats	500			50			70	130	250
	- 2,371	+ 198	- 20	- 236	+ 122	+ 485	+ 510	+ 891	+ 31

SECRET

47

SECRET

Report on Point 5Payment Balance of Payments

The National Bank has informed us of the financial balance for 1949 as follows: (in millions of crowns)

	<u>Expenditures</u>	<u>Receipts</u>
<i>Incidental</i> Secondary expenses from goods [imports]	3,580	1,150
Current financial payments	1,520	1,150
Repayment of foreign loans	2,740	--
<i>Interest</i> Repayment for the nationalized share	440	--
Interest on loans	160	--
Deficit: financial balance		6,140
	8,440	8,440

The balance appears to be 6,140,000,000, which is 50 percent greater than was announced.

It was physically impossible to recheck these data. In any case, this deficit is extraordinarily great, and a very thorough reexamination is required. This figure cannot be accepted as a basis for consideration, and it will be necessary to submit an additional report.

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[Presumably Report on Point 6]

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Statistical Division, Department VII, Ministry of Foreign Trade

File Number: 720.208/48-VII/4

Prague, 13 November 1948

Statistics of applications and import and export permits issued during
October 1948

Director: Kunte, line 643

To the chiefs of departments and divisions of the
Ministry of Foreign Trade

The Statistical Division of Department VII presents the main results
of statistics on import and export ^{declarations} applications and import and export
permits issued during October 1948, with the understanding that the
detailed data are at the disposal of interested officials in the
Statistical Divisions:

Total import ^{declarations} applications and permits: 2,480, with a value of
3,241,914,000 crowns;

Total export ^{declarations} applications and permits: ~~2,995~~ 2,995,
with a value of 4,273,203,000 crowns.

The Slovak portion was ascertained only for permits issued,
according to the location of the importer or exporter:

232 import permits, with a value of 405,178,000 crowns;

402 export permits, with a value of 156,798,000 crowns.

Only issued permits were ascertained for state enterprises:

947 import permits, with a value of 1,012,673,000 crowns;

4,667 export permits, with a value of 2,936,804,000 crowns.

SECRET

49

SECRET

Monopoly Companies (values in thousands of crowns)

	<u>Import</u> Manifests Applications	<i>Declarations</i> Permits	Total
Chemapol	119,070	10,791	129,861
Glass	3,681	-	3,681
Ceramics	-	-	-
Oleaspol	455,835	-	455,835
Centrotex	392,306	65,291	457,597
Hops	-	-	-
Totals	970,892	76,082	1,046,974

	<u>Export</u> Manifests	<i>Declarations</i> Permits	Total
Chemapol	89,108	6,375	95,483
Glass	32,333	-	32,333
Ceramics	85,886	11,757	97,643
Chemapol Oleaspol	455,835 31,250	-	31,250
Centrotex	207,393	87,827	295,220
Hops	103,389	-	103,389
Totals	549,359	105,959	655,318

Chair

Chief of the Statistical Division:

[signed]

(Kunte)

SECRET

50

Ministry of Foreign Trade
Statistical Division

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Survey of Import and Export Permits Issued January - October 1948 According to Payment Areas.
(Items not contained in the plan, registry contact, imports to be accounted to the 1949 plan, etc., are
omitted excluded. Values in millions of crowns)

Area	Import Plan	Permitted Import	Column 3 in % of Column 2	Balance of Columns 3-2	Export Plan	Permitted Export	Column 7 in % of Column 6	Balance of Columns 7-6	Balance of Columns 7-3
1	2	3	4	5	6	7	8	9	10
I	3,751	5,707	152.1	+ 1,956	3,872	5,289	136.6	+ 1,417	- 418
II	4,000	4,281	107.0	+ 281	5,089	6,002	117.9	+ 913	+ 1,721
III	2,632	3,909	148.5	+ 1,277	2,812	4,028	143.2	+ 1,216	+ 119
IV	510	856	167.8	+ 346	700	1,626	232.3	+ 926	+ 770
V	10,570	8,745	82.7	- 1,825	11,892	10,687	89.9	- 1,205	+ 1,942
VI	5,952	4,933	82.9	- 1,019	6,709	5,183	77.3	- 1,526	+ 290
VII	4,968	3,942	79.4	- 1,026	5,038	2,846	56.5	- 2,192	- 1,096
I - VII	32,383	32,373	100.0	- 10	36,112	35,661	98.8	- 451	+ 3,288

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Ministry of Foreign Trade
Statistical DivisionSurvey of Realized Import and Export January - August 1948 According to Payment Areas
Comparison with the Plan.
(values in millions of crowns)

Area	Import Plan	Export	Column 3 in % of Column 2	Balance of Columns 3-2	Export Plan	Export	Column 7 in % of Column 6	Balance of Columns 7-6	Balance of Columns 7-3
	2	3	4	5	6	7	8	9	10
I									
I	3,001	4,690	156.3	+ 1,689	3,098	3,246	104.8	+ 148	- 1,444
II	3,200	3,281	102.5	+ 81	4,071	3,923	96.4	- 148	+ 642
III	2,106	2,283	108.4	+ 177	2,250	2,416	107.4	+ 166	+ 133
IV	407	526	129.2	+ 119	560	733	130.9	+ 173	+ 207
V	8,456	7,818	92.5	- 638	9,514	7,329	77.0	- 2,191 [sic]	- 495 [sic]
VI	4,762	4,984	104.7	+ 222	5,367	3,534	65.9	- 1,833	- 1,450
VII	3,974	3,596	90.5	- 378	4,030	1,719	42.7	- 2,311	- 1,877
I - VII	25,906	27,178	104.9	+ 1,272	28,890	22,894 [sic]	79.2	- 5,996	- 4,284

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Ministry of Foreign Trade
Statistical DivisionSurvey of import and export permits issued January - August 1948 according to payment areas.
Items which are not contained in the plan, registry contact, etc., are excluded. Values in millions of crowns.

Area	Import Plan	Permitted Import	Column 3 in % of Column 2	Balance of Columns 3-2	Export Plan	Permitted Export	Column 7 in % of Column 6	Balance of Columns 7-6	Balance of Columns 7-3
	2	3	4	5	6	7	8	9	10
I									
I	3,001	5,213	173.7	+ 2,212	3,098	4,268	137.8	+ 1,170	- 945
II	3,200	3,163	98.8	- 37	4,071	4,969	122.1	+ 898	+ 1,806
III	2,106	3,116	147.9	+ 1,010	2,250	3,203	142.2	+ 953	+ 87
IV	407	651	159.9	+ 244	560	694	123.9	+ 134	+ 43
V	8,456	7,215	85.3	- 1,241	9,514	8,718	91.6	- 796	+ 1,503
VI	4,762	4,377	91.9	- 385	5,367	4,262	79.4	- 1,105	- 115
VII	3,974	2,924	73.6	- 1,050	4,030	2,205	54.6	- 1,825	- 719
I - VII	25,906	26,659	102.9	+ 753	28,890	28,319	98.0	- 571	+ 1,660

Correction: An error developed in the data for payment area VI in the returns for January - July 1948 through a defect in the material submitted for statistical treatment. The corrected data for Area VI, January - July 1948, are as follows:

VI	4,167	4,111	98.7	- 56	4,696	3,632	77.3	- 1,064	- 479
Grand total	22,668	24,658	108.3	+ 1,883	25,279	25,010	98.9	- 269	+ 459

Ministry of Foreign Trade
Statistical Division

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[also bears pencilled classification "Secret"]

Survey of Realized Import and Export for January - October 1948 According to Payment Areas.

Comparison with the Plan. (values in millions of crowns)

Comparison of Import and Export Plans										
	Import plan	Import	Column 3 in % of Column 2	Balance of Columns 3-2	Export plan	Export	Column 7 in % of Column 6	Balance of Columns 7-6	Balance of Columns 7-3	
	1	2	3	4	5	6	7	8	9	10
I		3,751	5,029	134.4	+ 1,278	3,872	4,593	118.6	+ 721	- 436
II		4,000	3,938	98.4	- 62	5,089	4,967	95.6	- 122	+ 1,029
III		2,632	2,698	102.5	+ 66	2,812	3,076	109.4	+ 264	+ 378
IV		510	624	122.4	+ 114	700	920	131.4	+ 220	+ 296
V		10,570	9,443	89.3	- 1,127	11,892	9,418	79.2	- 2,474	- 25
VI		5,952	5,982	100.6	+ 30	6,709	4,375	65.2	- 2,334	- 1,607
VII		32,383	31,879	98.4	- 504	36,112	29,523	81.7	- 6,589	- 2,356
VIII		4,968	4,165	83.8	- 803	5,038	2,174	43.1	- 2,864	- 1,991
I - VII		32,383	31,879	98.4	- 504	36,112	29,523	81.7	- 6,589	- 2,356

SECRET
54

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Ministry of Foreign Trade
Statistical Division

Survey of Import and Export Permits Issued During the Month of October 1949 [sic] According to Payment Areas.
Comparison With the Plan. Items Which Are Not Included in the Plan, Registry Contact, Imports, and Accounted to
of the Plan for 1949 are Excluded. Values in Millions of Crowns.

Area	Import Plan	Permitted Import	Column 3 in % of Column 2	Balance of Columns 3-2	Export Plan	Permitted Export	Column 7 in % of Column 6	Balance of Columns 7-6	Balance of Columns 7-3
1	2	3	4	5	6	7	8	9	10
I	375	214	57.1	- 161	387	591	152.7	+ 204	+ 377
II	400	516	129.0	+ 116	509	547	107.5	+ 38	+ 31
III	263	308	117.1	+ 45	281	416	148.1	+ 135	+ 108
IV	51	82	160.8	+ 31	70	868	1,240.0	+ 798	+ 786
V	1,057	915	86.6	- 142	1,189	1,067	89.7	- 122	+ 152
VI	595	369	62.0	- 226	671	437	65.1	- 234	+ 68
VII	497	733	147.5	+ 236	504	337	66.9	- 167	- 396
I - VII	3,238	3,137	96.9	- 101	3,611	4,263	118.0	+ 652	+ 1,126